



**COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER**

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WENDY L. WATANABE
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March 20, 2013

TO: Supervisor Mark Ridley-Thomas, Chairman
Supervisor Gloria Molina
Supervisor Zev Yaroslavsky
Supervisor Don Knabe
Supervisor Michael D. Antonovich

FROM: Wendy L. Watanabe
Auditor-Controller

A handwritten signature in blue ink, reading "Wendy L. Watanabe", is written over the printed name and title.

SUBJECT: **COMMUNITY AND SENIOR SERVICES – REVIEWS OF WORKFORCE
INVESTMENT ACT SUMMER YOUTH EMPLOYMENT PROGRAM
SERVICE PROVIDERS – FISCAL YEAR 2012-13 SUMMARY REPORT**

At the request of Community and Senior Services (CSS), we completed program, fiscal, and administrative reviews of 21 Workforce Investment Act (WIA) Summer Youth Employment Program (SYEP) service providers.

The WIA SYEP provides work-based training for eligible youth and young adults between the ages of 14 and 21. The goal of the Program is to encourage youth to remain in school, develop career goals, and secure employment. As part of our review, we visited 49 (10%) of the 487 active WIA SYEP worksites during September 2012. The 21 WIA SYEP contractors were compensated on a cost-reimbursement basis and received approximately \$2.4 million for Fiscal Year (FY) 2012-13.

Our reviews covered a sample of FY 2012-13 transactions from each service provider.

Review Summary

The contractors provided the required services to eligible participants, and had adequate controls over their business operations. However, we identified \$38,384 in questioned costs billed to the WIA SYEP. Specifically of the 21 contractors:

- Two (10%) contractors charged \$34,588 to the WIA SYEP for unsupported expenditures.
- Three (14%) contractors inappropriately charged \$3,077 to the WIA SYEP for unallowable expenditures.
- Three (14%) contractors used inappropriate or unsupported methods to allocate \$466 in shared program costs to the WIA SYEP.
- Three (14%) contractors did not accurately calculate and/or pay the employees and/or participants for the hours worked during the pay period reviewed, resulting in \$253 in overpayments to the contractors.

The WIA SYEP contractors also did not always comply with other WIA SYEP and County contract requirements. For example, two (10%) contractors did not register participants into selective service within 30 days of the participants' 18th birthday.

In addition, the worksites used by the WIA SYEP contractors did not always comply with WIA SYEP requirements. For example:

- Thirty-seven (76%) of the 49 worksites did not fully comply with health and safety regulations (e.g., missing evacuation plans, exit signs, current fire extinguishers, non-functioning smoke detectors, etc.).
- Twenty (41%) worksites did not maintain required documentation (e.g., worksite agreements, job descriptions, time sheets, work readiness evaluations, and/or the listing of participants).
- Eleven (22%) worksites did not have required notices (e.g., minimum wage poster, payday notice, Cal/OSHA safety rules and regulations notice, workers' compensation insurance coverage notice, equal opportunity poster, etc.) posted in clear view.

Attachment I summarizes the findings for each service provider that provided WIA SYEP services from July through September 2012. Attachment II summarizes the findings for each worksite visited during July, August, and September 2012.

Review of Report

We discussed our findings with CSS and the WIA SYEP service providers. CSS will issue a separate response to your Board on the actions they have taken to resolve the questioned costs and other issues noted in our review. Because of the number of service providers, copies of the individual reports are not enclosed, but available for your review.

Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

WLW:AB:DC:EB:yp

Attachments

c: William T Fujioka, Chief Executive Officer
Cynthia D. Banks, Director, Community and Senior Services
Public Information Office
Audit Committee

Community and Senior Services
WIA SYEP Contract Reviews – Summary of Findings
July through September 2012

Attachment I

#	Contractors	Contract Amount	# of Recos.	Findings										
				A	B	C	D	E	F	G	H	I	J	Total
1	Archdiocesan Youth Employment Services of Catholic Charities of Los Angeles, Inc.	\$ 248,152	2								\$ 26		\$ 219	\$ 245
2	Asian American Drug Abuse Program, Inc.	\$ 29,314	0											\$ -
3	City of Compton - Compton CareerLink	\$ 55,110	1									(1)		\$ -
4	City of Los Angeles Workforce Investment Board	\$ 649,800	2	X	X									\$ -
5	Comprehensive Community Services of South Bay, Inc.	\$ 32,320	1										(1)	\$ -
6	Door of Hope Community Center, Inc.	\$ 31,145	0											\$ -
7	Foothill Workforce Investment Board	\$ 34,200	2			X		X						\$ -
8	Goodwill Industries of Southern California (El Monte/Pomona)	\$ 127,660	2				X			(1)				\$ -
9	Hub Cities Consortium	\$ 184,433	0											\$ -
10	Human Services Consortium of the East San Gabriel Valley dba LA WORKS	\$ 234,752	1			X								\$ -
11	Jewish Vocational Services, Inc.	\$ 52,271	2							(1)	(1)			\$ -
12	Los Angeles County Office of Education	\$ 137,904	1										\$ 247	\$ 247
13	Maravilla Foundation	\$ 25,000	0											\$ -
14	Mexican American Opportunity Foundation	\$ 30,731	0											\$ -
15	South Bay Workforce Investment Board	\$ 110,200	0											\$ -
16	Southeast Area Social Services Funding Authority	\$ 137,157	0											\$ -
17	Southeast Los Angeles County Workforce Investment Board	\$ 41,800	4						X	\$ 253	\$ 3,051	\$34,588		\$37,892
18	Special Services for Groups	\$ 43,562	0											\$ -
19	Verdugo Consortium Workforce Investment Board	\$ 72,200	0											\$ -
20	Watts Labor Community Action Center	\$ 27,763	0											\$ -
21	West San Gabriel Valley Consortium dba Career Partners	\$ 157,042	0											\$ -
TOTAL		\$ 2,214,364	16	1	1	2	1	1	1	\$ 253	\$ 3,077	\$34,588	\$ 466	\$38,384

Code Summary

- A Contractor did not maintain signed I-9 Forms in every participant's case files and/or verify and track expiration dates of every individual's legal status or work authorization documentation.
- B Contractor did not accurately report all participant activities on the Job Training Automation (JTA) System as required.
- C Contractor did not register participants into selective service within 30 days of the participants' 19th birthday as required.
- D Contractor allowed participants under the age of 18 to work past the allowable timeframes permitted by California Labor Laws.
- E Criminal record clearances were not obtained for all WIA SYEP employees as required.
- F Time sheets were not signed by employees and/or participants.
- G Contractor did not accurately calculate and/or pay the employees and/or participants for the hours worked during the pay period reviewed.
- H Expenditures charged to the WIA SYEP were unallowable.
- I Expenditures charged to WIA SYEP were not supported by adequate documentation.
- J Allocation methods used to allocate shared program costs to the WIA SYEP were inappropriate and/or unsupported.

Footnotes

- (1) Total questioned cost was immaterial.

Community and Senior Services
WIA SYEP Worksite Visits – Summary of Findings
July through September 2012

Attachment II

#	Contractors	# of Worksites Visited	# of Worksites Per Finding				Total Findings
			A	B	C	D	
1	Archdiocesan Youth Employment Services of Catholic Charities of Los Angeles, Inc.	4	4	4	2		10
2	Asian American Drug Abuse Program, Inc.	1		1			1
3	City of Compton – Compton CareerLink	2	1				1
4	City of Los Angeles Workforce Investment Board	8	4	5	2		11
5	Comprehensive Community Services of South Bay, Inc.	1	1				1
6	Door of Hope Community Center, Inc.	2	2	1		1	4
7	Foothill Workforce Investment Board	1	1				1
8	Goodwill Industries of Southern California (El Monte/Pomona)	3	1	1			2
9	Hub Cities Consortium	3	3	1	1		5
10	Human Services Consortium of the East San Gabriel Valley dba LA Works	4	4	3	1		8
11	Jewish Vocational Service, Inc.	2	2				2
12	Los Angeles County Office of Education	3	3	1			4
13	Maravilla Foundation	1					0
14	Mexican American Opportunity Foundation	1				1	1
15	South Bay Workforce Investment Board	3	3	1	2		6
16	Southeast Area Social Services Funding Authority	2	2				2
17	Southeast Los Angeles County Workforce Investment Board	1	1				1
18	Special Services for Groups	1	1	1			2
19	Verdugo Consortium Workforce Investment Board	1					0
20	Watts Labor Community Action Center	2	2	1	2		5
21	West San Gabriel Valley Consortium dba Career Partners	3	2		1		3
TOTAL		49	37	20	11	2	70
% OF TOTAL WORKSITES PER FINDING CATEGORY			76%	41%	22%	4%	

Code Summary

- A** Worksite was not always in compliance with health and safety regulations (e.g., missing evacuation plans, exit signs, current fire extinguishers, non-functioning smoke detectors, etc.).
- B** Required documentation, such as the worksite agreement, job descriptions, time sheets, work readiness evaluations, and/or the list of participants, were not maintained at the worksite.
- C** Required postings, such as the minimum wage poster, payday notice, Cal/OSHA safety rules and regulations notice, workers' compensation insurance coverage notice, and equal opportunity poster, were not posted in clear view.
- D** Worksite supervisors did not attend the required WIA SYEP orientation.